



# **ARIZONA DEPARTMENT OF REVENUE**

## **MEMORANDUM**

**DATE:** October 29, 2004

**FROM:** THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

### ***August 2004 TAX FACTS***

#### **SUMMARY OF GENERAL FUND REVENUES**

	<u>August 2004</u>	<u>Fiscal Year Total</u>
<b>Individual Income Tax</b>		
Net Collections	\$176,926,922	\$326,096,027
Percent Change	16.8%	13.7%
<b>Corporate Income Tax</b>		
Net Collections	\$21,253,979	\$42,246,352
Percent Change	192.9%	74.4%
<b>Transaction Privilege, Severance &amp; Use Taxes</b>		
Net Collections	\$286,991,921	\$584,745,393
Change	9.7%	9.8%
<b>Total Big Three Tax Types</b>		
Net Collections	\$485,172,822	\$953,087,772
Percent Change	15.4%	12.9%

January was the first month that the department used a new computer system to process transaction privilege tax and withholding. Some of the reports necessary to provide Tax Facts information are still under development. Those sections have been pulled from this report. Once the information is available, it will be sent out.

# TAX FACTS AUGUST 2004

## INDIVIDUAL INCOME TAX

### Individual Income Tax Receipts

	August 2004	August 2003	% Change
Gross Collections	\$17,256,736	\$13,138,440	31.3
Withholding	206,338,811	179,843,713	14.7
Refunds	(15,579,244)	(11,094,625)	40.4
Urban Revenue Sharing	(31,089,382)	(30,422,097)	2.2
Net Collections	\$176,926,922	\$151,465,431	16.8

  

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% Change
Gross Collections	\$25,238,778	\$22,957,004	9.9
Withholding	391,698,660	348,036,097	12.5
Refunds	(28,662,648)	(23,235,554)	23.4
Urban Revenue Sharing	(62,178,763)	(60,844,193)	2.2
Net Collections	\$326,096,027	\$286,913,354	13.7

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In August 2004, the Department issued two individual income tax refunds for alternative fuel related credits. There was \$43,315 in AFV credit on the returns. After offsetting \$995 in liability, \$42,320 was refunded.

### Ladewig Refunds

Ladewig, a Supreme Court tax settlement case has resulted in the distribution of 132,083 refunds to individual income taxpayers during August 2004. These refunds totaled \$36,869,279 for an average of \$279.14. For the fiscal year, 434,732 refunds have been issued for a total of \$124,362,860. Attorney payments are not included in the refund amount and total \$5,706,555 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

### Individual Income Tax Document Count

In calendar year 2003, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	44,149	1,546,452	84,078	99,313	12	43,604	287,618	13,546	190,019	2,632	24	2,311,447
%	1.9	66.9	3.6	4.3	0.0	1.9	12.4	0.6	8.2	0.1	0.0	

In calendar year 2004 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	38,683	1,512,298	73,155	98,820	2	37,595	291,735	13,284	195,032	2,577	15	2,263,196
%	1.7	66.8	3.2	4.4	0.0	1.7	12.9	0.6	8.6	0.1	0.0	

The 2,263,196 returns, representing current and prior tax years, filed through August 2004 compares to 2,172,528 returns filed during the same period of time in 2003 for an annual increase of 4.2%. For tax year 2003 filed in 2004, 2,162,703 returns have been filed, a 3.8% increase over filings in August 2003 for tax year 2002.

### **Year-Over-Year Comparison of Resident Taxpayers**

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,547,599 returns in calendar year 2004 for tax year 2003 from filers who also have returns on record from calendar year 2003 with the same marital status. On average, these filers experienced a 3.6% increase in FAGI and a 5.9% increase in tax liability. More specifically, 35.7% of these filers experienced a decrease in tax liability; on average a decrease of 36.4% with a corresponding average decrease in FAGI of 21.5%. Filers with an increase in tax liability totaled 792,811 or 51.2% with an average FAGI increase of 25.5% and an average tax liability increase of 47.9%.

### **Average Individual Income Tax Refund**

Net of Ladewig refunds.

	Average	Number
2004 CYTD	\$497.72	1,450,313
2003 CYTD	\$541.97	1,432,979
% Change	(8.2%)	1.2%

### **"New" Filers in Calendar Year 2004**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2004. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 233,942 "new" returns have been filed thus far in 2004, representing approximately 282,484 persons, not including dependents. The average Federal Adjusted Gross Income for these 277,238 returns is \$19,669, with an average tax liability of \$314. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 19.6% had a married filing joint filing status, 7.4% claimed a 65 and Over Exemption and 32.9% claimed dependents.

### **Individual Income Tax Estimated Payments**

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2002 was \$295.4 million, for an average of \$1,534. An additional \$75.0 million in estimated payments came from 2001 tax returns that applied their refunds as a 2002 estimated payment, for an average of \$1,685. Estimated payments received through August 2004 for tax year 2004 are as follows:

8/04	140ES payment	\$2,999,038	Cumulative	\$117,600,954
8/03	140ES payment	\$5,226,646	Cumulative	\$95,346,748
	% change	(42.6)		23.3
8/04	Average payment	\$1,034	Cumulative	\$1,336
8/03	Average payment	\$932	Cumulative	\$1,154
	% change	10.9		15.8
8/04	Applied refund	\$4,856,009	Cumulative	\$31,159,831
8/03	Applied refund	\$3,574,040	Cumulative	\$33,607,699
	% change	35.9		7.3
Total 8/04		\$7,855,047	Cumulative	\$148,760,785
Total 8/03		\$8,800,686	Cumulative	\$128,954,448
	% change	(10.7)		15.4

### **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2001 through March 2003, \$544,701,458 was received for the first quarter of 2002. The latest complete quarter (15 months of information has been compiled) is the second quarter of 2003, which shows an increase of 2.5% in withholding payments over the second quarter of 2002. Growth in quarters for which information is still being gathered is as follows:

3 <sup>rd</sup> Quarter 2003	0.0%	1 <sup>st</sup> Quarter 2004	1.8%
4 <sup>th</sup> Quarter 2003	0.8%	2 <sup>nd</sup> Quarter 2004	(3.6%)
		3 <sup>rd</sup> Quarter 2004	(3.5%)

Current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2004	14,909	\$5,251,348	\$352
Calendar Year 2003	14,739	\$5,017,108	\$340
% Change	1.2	4.7	3.5

### **Clean Elections**

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2003:

	August 2004	Calendar Year Total
Check Off	\$90,338	\$4,099,586
Voluntary Donation	\$4,129	\$45,560
Number of Returns	11,613	564,517

### **Contributions on the Individual Income Tax Return**

Through August 2004, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	9,446	\$165,789	\$17.55
Child Abuse	10,307	\$189,030	\$18.34
Special Olympics	4,960	\$77,352	\$15.60
Neighbors Helping	2,880	\$37,932	\$13.17
AID to Education	597	\$45,162	\$75.65
Domestic Violence Shelter	7,479	\$137,260	\$18.35
Democratic Party	1,100	\$26,346	\$23.95
Republican Party	694	\$16,366	\$23.58
Libertarian Party	84	\$1,610	\$19.17

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## **CORPORATE INCOME TAX**

### **Corporate Income Tax Receipts**

	August 2004	August 2003	% Change
Gross Collections	\$23,683,196	\$11,271,363	110.1
Refunds	2,429,217	4,015,351	(39.5)
<b>Net Collections</b>	<b>\$21,253,979</b>	<b>\$7,256,012</b>	<b>192.9</b>

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% Change
Gross Collections	\$48,961,770	\$34,572,938	41.6
Refunds	(6,715,418)	(10,348,504)	(35.1)
<b>Net Collections</b>	<b>\$42,246,352</b>	<b>\$24,224,434</b>	<b>74.4</b>

### **Corporate Estimated Payments**

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

August 2004	\$13,283,337	Calendar Year Total	\$251,070,511
August 2003	\$9,629,989	Calendar Year Total	\$217,503,194
% Change	37.9%	% Change	15.4%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for August 2004 and for the calendar year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
August 2004	64	10	7	3	2	0	86	17.8
August 2003	56	6	7	1	3	0	73	
CY 2004	1,644	213	244	38	41	0	2,180	8.6
CY 2003	1,559	173	194	43	38	0	2,007	

### **Corporate Refunds**

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 2003/04 by corporate fiscal year. For example, in FY 2003/04, 9.2% of the refund dollars paid were for corporate fiscal years ending in 1999 or before. The percentages are for refunds paid through the fiscal year.

<b>Corporate Fiscal Year-End:</b>	<b>99 &amp; Prior</b>	<b>00</b>	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>
FY 2003/04	9.2%	2.7%	3.0%	74.5%	10.4%	0.2%
<b>Corporate Fiscal Year-End:</b>	<b>00 &amp; Prior</b>	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>	<b>05</b>
FY 2004/05	13.3%	3.9%	2.9%	76.1%	3.9%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year.

August 2004	\$2,438,623	Calendar Year Total	\$48,662,861
August 2003	\$2,209,116	Calendar Year Total	\$64,619,909
% Change	10.4%	% Change	(24.7%)

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 99,009 corporate returns showing a fiscal year-end of 2002. The type of return received is indicated below:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	289	34,612	54,649	355	10,889
%	0.3	34.3	54.2	0.4	10.8

Through August 2004, 79,930 documents have been received for a fiscal year-end of 2003, distributed as follows:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	150	22,926	46,891	267	9,696
%	0.2	28.7	58.7	0.3	12.1

The figures shown above for the 2003 returns are most meaningful when compared to 2002 returns received during the same period of time in the previous year. Through August 2003, the Arizona Department of Revenue received 73,178 documents with a fiscal year-end of 2002. Compared to 2003 documents, the department has seen a 9.2% increase in the number of corporate returns received at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2004/05 is 15.0% of net proceeds from Fiscal Year 2002/03 income tax. Amounts returned for August 2004 are shown on Table 2, at the end of this report.

## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	<b>August 2004</b>	<b>August 2003</b>	<b>% change</b>
Distribution Base	114,738,399	104,554,912	9.74%
Non shared	224,820,965	205,657,997	9.32%
Use Tax	48,223,926	44,750,471	7.76%
Education Tax	42,510,698	39,258,626	8.28%
Other Revenues	22,597,683	19,920,303	13.44%
<b>Total Collections</b>	<b>452,891,671</b>	<b>414,142,309</b>	<b>9.36%</b>

  

	<b>Fiscal Year Total (04/05)</b>	<b>Fiscal Year Total (03/04)</b>	<b>% change</b>
Distribution Base	235,143,069	215,731,690	9.00%
Non shared	458,467,979	420,504,244	9.03%
Use Tax	98,600,336	90,527,025	8.93%
Education Tax	86,585,172	78,646,104	10.09%
Other Revenues	45,176,570	37,827,080	19.43%
<b>Total Collections</b>	<b>923,973,126</b>	<b>843,236,144</b>	<b>4.22%</b>

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	August 2004	August 2003	% change
Retained by State	286,991,921	261,639,289	9.69%
Returned to Counties	46,480,526	42,355,195	9.74%
Returned to Cities	28,684,600	26,138,728	9.74%
Education Tax	42,510,698	39,258,626	8.28%
Other Revenues	48,223,926	44,750,471	7.76%
<b>Total Collections</b>	<b>452,891,671</b>	<b>414,142,309</b>	<b>9.36%</b>

  

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% change
Retained by State	584,745,393	532,737,184	9.76%
Returned to Counties	95,256,457	87,392,908	9.00%
Returned to Cities	58,785,767	53,932,923	9.00%
Education Tax	86,585,172	78,646,104	10.09%
Other Revenues	98,600,336	90,527,025	8.92%
<b>Total Collections</b>	<b>923,973,126</b>	<b>843,236,144</b>	<b>9.57%</b>

### **Transaction Privilege and Severance Tax Collections By Class**

	Tax Rate	August 2004	% Chg	Fiscal Year Total	% Chg
Transporting	5.6	252,162	-25.4%	479,259	-26.1%
Non-Metal Mining Oil/Gas	3.125%	713,489	7.8%	1,631,911	15.7%
Utilities	5.6%	34,898,000	6.4%	65,984,087	4.8%
Communications	5.6%	12,355,687	-0.3%	24,667,495	2.7%
Private Car/Pipelines	5.6%	54,348	-10.4%	120,421	24.1%
Publishing	5.6%	568,589	-25.3%	1,139,542	-9.9%
Job Printing	5.6%	1,365,179	-4.1%	2,851,601	-4.8%
Restaurants & Bars	5.6%	28,834,653	10.3%	59,607,129	9.7%
Amusements	5.6%	3,176,748	-1.8%	6,696,379	5.0%
Commercial Lease	0%	28,057	-429.3%	28,549	-182.0%
Rental of Personal Property	5.6%	12,395,126	-0.3%	27,856,437	4.6%
Contracting	3.75% - 5.6%	61,158,205	15.7%	126,489,680	16.7%
Feed Wholesale	Repealed	0	NA	0	NA
Retail	5.6%	175,863,297	9.5%	359,688,795	7.9%
Mining Severance	2.5%	1,119,041	464.7%	2,044,501	395.8%
Timber Severance	\$2.13/\$1.51 per 1000 board ft	798	-624.3%	1,598	99.0%
Hotel/Motel	5.5%	6,451,391	9.4%	13,581,780	7.9%
Membership Camping	5.6%	4,508	-41.0%	9,904	-57.9%
Use Tax	5.6%	22,597,683	13.4%	45,176,570	19.4%
Rental Occupancy Tax	3.0%	-17,766	NA	(13,808)	NA
Jet Fuel	\$.0305/\$.0105 gal	386,870	3.5%	778,204	7.0%
Telecommunications Devices	1.1			0	NA
Telecomm	----	341,092	-31.4%	720,431	-28.3%
School for the Deaf and Blind		115,369	NA	241,816	NA
Poison Control	----	90,289	-50.9%	189,247	-49.1%
Teratogen Funding		5,016	NA	5,016	NA
911 Wireline	\$.037/month per active service	1,153,476	7.1%	2,284,053	2.1%
911 Wireless	\$.037/month per active service	1,065,668	11.6%	2,099,766	9.8%
<b>Total</b>		<b>364,976,976</b>	<b>9.7%</b>	<b>744,360,362</b>	<b>9.5%</b>

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

## **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>**

	<b>August 2004</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting	5,043,246	-25.4%	9,608,213	-25.9%
Non-Metal Mining Oil/Gas	22,831,637	7.8%	52,309,924	15.9%
Utilities	697,960,008	6.4%	1,321,711,403	5.0%
Communications	247,113,736	-0.3%	494,236,587	2.9%
Private Car/Pipelines	1,086,955	-10.4%	2,412,459	24.3%
Publishing	11,371,785	-25.3%	22,828,174	-9.7%
Job Printing	27,303,580	-4.1%	57,144,539	-4.6%
Restaurants & Bars	576,693,056	10.3%	1,194,422,149	9.9%
Amusements	63,534,961	-1.8%	134,199,026	5.3%
Commercial Lease	748,599	-186.3%	760,584	255.2%
Rental of Personal Property	247,902,520	-0.3%	558,119,935	4.8%
Contracting	1,225,874,055	15.9%	2,536,483,186	17.1%
Feed Wholesale	0	NA	0	NA
Retail	3,517,265,935	9.5%	7,206,368,037	8.1%
Mining Severance	44,761,652	464.7%	81,874,226	396.4%
Timber Severance	375	-624.3%	738	95.7%
Hotel/Motel	117,298,025	9.4%	247,554,208	8.1%
Membership Camping	90,162	-41.0%	199,611	-57.5%
Use Tax	451,365,694	13.5%	903,826,820	19.7%
Rental Occupancy Tax	(592,187)	NA	(458,464)	NA
<b>Total</b>	<b>7,257,653,793</b>	<b>10.1%</b>	<b>14,823,601,355</b>	<b>10.1%</b>

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### **Accounting Credit**

A credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. **Due to our new processing system, the report needed to provide this data is not available.**

### **Taxable Sales by SIC Code Range**

The taxable sales by SIC (Standard Industrial Classification) code range is undergoing a conversion to NAICS codes. The information since January 2004 is not yet available. Once it is available, it will be sent under separate cover.

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for August 2004 is shown in the County Share column.

	<b>County Share</b>	<b>% of Total</b>	<b>FYTD County Share</b>	<b>% Change</b>
Apache	355,255	0.7%	720,895	5.6%
Cochise	843,759	1.7%	1,715,990	6.1%
Coconino	1,340,571	2.7%	2,685,150	5.0%
Gila	368,392	0.8%	757,182	5.2%
Graham	214,023	0.4%	438,940	8.4%

<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

	County Share	% of Total	FYTD County Share	% Change
Greenlee	186,742	0.4%	388,205	29.9%
La Paz	136,142	0.3%	280,494	10.2%
Maricopa	29,658,610	60.8%	60,978,387	9.1%
Mohave	1,363,544	2.8%	2,771,397	12.8%
Navajo	752,552	1.5%	1,552,432	7.6%
Pima	6,914,636	14.2%	14,112,598	8.6%
Pinal	1,253,017	2.6%	2,542,317	9.1%
Santa Cruz	291,834	0.6%	605,671	5.1%
Yavapai	1,639,681	3.4%	3,321,551	10.2%
Yuma	1,161,768	2.4%	2,385,248	10.5%
<b>Total</b>	<b>46,480,526</b>	<b>0.7%</b>	<b>95,256,457</b>	<b>9.0%</b>

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for July 2004 is shown on Table 3, attached to this report.

### **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during August 2004 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health SVCS Dist	Capitol Projects	Tourism Authority
Apache		\$91,873							
Cochise		509,324							
Coconino		1,032,473	\$619,071					\$256,415	
Gila	\$238,289	233,123							
Graham		105,945							
Greenlee		53,628							
La Paz		75,655	75,655				\$439		
Maricopa	24,250,413		9,020,005	\$382,893	\$863				\$1,194,198
Mohave		551,132							
Navajo		481,489							
Pima				107,913		\$5,812			
Pinal	867,746	845,385							
Santa Cruz		185,371							
Yavapai		1,190,630	591,162						
Yuma		746,153	746,110					744,981	

## OTHER TAXES

### Luxury Taxes

The following revenues were received from luxury taxes in August 2004. The table compares the receipts to August 2003 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	August 2004	August 2003	% Change
Spirituos	\$1,669,513	\$1,710,813	(2.4)
Vinous	745,502	609,828	22.2
Malt	2,340,023	1,770,108	32.2
Cigarette	24,842,975	25,486,007	(2.5)
Other Tobacco	620,828	606,516	2.4
Tobacco Licenses	325	350	(7.1)
<b>Total</b>	<b>\$30,219,166</b>	<b>\$30,183,622</b>	<b>0.1</b>

  

	Fiscal Year (04/05)	Fiscal Year (03/04)	% Change
Spirituos	\$3,485,003	\$3,351,620	4.0
Vinous	1,517,789	1,349,194	12.5
Malt	4,064,689	3,553,827	14.4
Cigarette*	45,821,691	43,882,967	4.4
Other Tobacco	1,361,419	1,233,096	10.4
Tobacco Licenses	625	1,125	(44.4)
<b>Total</b>	<b>\$56,251,215</b>	<b>\$53,371,829</b>	<b>5.4</b>

\*Through August 2004, \$435,400 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

### General Fund revenues from luxury taxes:

	August 2004	Fiscal Year (04/05)
Spirituos	\$1,168,659	\$2,439,502
Vinous	185,928	377,966
Malt	585,006	1,016,172
Cigarette	3,199,882	6,204,938
Other Tobacco	97,501	212,292
Tobacco Licenses	325	625
<b>Total</b>	<b>\$5,237,300</b>	<b>\$10,251,496</b>

### Other dedicated revenues from luxury taxes:

	August 2004	Fiscal Year (04/05)
Correction Fund revenues	\$2,373,257	\$4,473,187
Tobacco Tax & Health Care Fund <sup>2</sup>	\$8,692,933	\$15,895,506
Tobacco Products Tax Fund <sup>3</sup>	\$12,976,002	\$23,882,464
Wine Promotional Fund revenues	\$1,788	\$5,922
Drug Treatment & Education Fund revenues	\$671,939	\$1,247,730
Corrections Revolving Fund revenues	\$265,947	\$494,909

<sup>2</sup> Formerly the Health Care Fund

<sup>3</sup> This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

**Estate Tax**

August 2004	\$4,313,866	Fiscal Year to Date	\$8,225,959
August 2003	\$4,892,386	Fiscal Year to Date	\$7,574,546
% Change	(11.8)	% Change	8.6

**Bingo**

August 2004	\$37,740	Fiscal Year to Date	\$107,003
August 2003	\$38,860	Fiscal Year to Date	\$108,470
% Change	(2.9)	% Change	(1.3)

**Unclaimed Property**

August 2004	\$513,375	Fiscal Year to Date	\$1,121,898
August 2003	\$2,531,239	Fiscal Year to Date	\$1,836,378
% Change	(79.7)	% Change	(38.9)

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**  
**“New” Returns Filed in 2004 for Tax Year 2003**  
**Through August 2004**

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	2,535	1.1%	-\$14,662	\$1	16.3%	76.8%	4.2%	2.7%	14.3%	10.4%
<b>\$0-\$5,000</b>	<b>52,480</b>	<b>22.4%</b>	<b>\$2,689</b>	<b>\$1</b>	<b>3.9%</b>	<b>85.2%</b>	<b>10.0%</b>	<b>0.9%</b>	<b>3.9%</b>	<b>14.8%</b>
\$5,000-\$10,000	49,482	21.2%	\$7,362	\$25	7.0%	73.8%	17.9%	1.2%	5.7%	25.9%
<b>\$10,000-\$15,000</b>	<b>33,873</b>	<b>14.5%</b>	<b>\$12,347</b>	<b>\$92</b>	<b>13.9%</b>	<b>57.6%</b>	<b>26.9%</b>	<b>1.7%</b>	<b>8.4%</b>	<b>38.3%</b>
\$15,000-\$20,000	24,280	10.4%	\$17,361	\$169	20.3%	48.8%	28.5%	2.4%	8.6%	43.1%
<b>\$20,000-\$25,000</b>	<b>16,666</b>	<b>7.1%</b>	<b>\$22,360</b>	<b>\$273</b>	<b>25.2%</b>	<b>43.2%</b>	<b>28.6%</b>	<b>3.1%</b>	<b>8.0%</b>	<b>46.3%</b>
\$25,000-\$30,000	11,817	5.1%	\$27,383	\$391	29.3%	40.5%	26.4%	3.8%	8.1%	46.3%
<b>\$30,000-\$40,000</b>	<b>14,971</b>	<b>6.4%</b>	<b>\$34,479</b>	<b>\$555</b>	<b>36.4%</b>	<b>37.4%</b>	<b>22.0%</b>	<b>4.1%</b>	<b>8.5%</b>	<b>45.2%</b>
\$40,000-\$50,000	8,884	3.8%	\$44,625	\$777	48.1%	31.7%	17.0%	3.2%	10.2%	46.3%
<b>\$50,000-\$75,000</b>	<b>11,179</b>	<b>4.8%</b>	<b>\$60,626</b>	<b>\$1,159</b>	<b>63.0%</b>	<b>24.3%</b>	<b>10.4%</b>	<b>2.4%</b>	<b>12.8%</b>	<b>46.1%</b>
\$75,000-\$100,000	4,132	1.8%	\$85,453	\$1,857	72.7%	19.0%	6.6%	1.7%	14.4%	45.2%
<b>\$100,000-\$200,000</b>	<b>3,020</b>	<b>1.3%</b>	<b>\$129,010</b>	<b>\$3,303</b>	<b>74.5%</b>	<b>18.1%</b>	<b>6.0%</b>	<b>1.5%</b>	<b>16.1%</b>	<b>43.2%</b>
\$200,000-\$500,000	517	0.2%	\$281,551	\$9,597	72.7%	20.7%	4.8%	1.9%	21.6%	37.5%
<b>\$500,000-\$1,000,000</b>	<b>66</b>	<b>0.0%</b>	<b>\$655,866</b>	<b>\$24,068</b>	<b>56.7%</b>	<b>29.9%</b>	<b>6.0%</b>	<b>7.5%</b>	<b>25.4%</b>	<b>32.8%</b>
\$1,000,000 and over	40	0.0%	\$1,881,824	\$84,151	63.4%	34.1%	2.4%	0.0%	19.5%	14.6%
<b>Total</b>	<b>233,942</b>		<b>\$19,669</b>	<b>\$314</b>	<b>19.6%</b>	<b>59.4%</b>	<b>19.1%</b>	<b>1.9%</b>	<b>7.4%</b>	<b>32.9%</b>

\*An asterisked line indicates that the information cannot be released due to confidentiality laws.

**NEW RETURNS FILED IN 2003 FOR TAX YEAR 2002**

<b>Total</b>	<b>220,129</b>	<b>\$20,256</b>	<b>\$329</b>	<b>20.2%</b>	<b>57.0%</b>	<b>20.6%</b>	<b>2.2%</b>	<b>7.6%</b>	<b>34.7%</b>
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**August 2004**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Surprise	\$236,360	30,848
Eagar	\$30,901	4,033	Tempe	1,215,397	158,625
Springerville	15,110	1,972	Tolleson	38,111	4,974
St. Johns	27,185	3,548	Wickenburg	38,939	5,082
<b><u>Cochise County</u></b>			Youngtown	23,063	3,010
Benson	36,096	4,711	<b><u>Mohave County</u></b>		
Bisbee	46,662	6,090	Bullhead City	258,741	33,769
Douglas	126,600	16,523	Colorado City	25,545	3,334
Huachuca City	13,416	1,751	Kingman	153,770	20,069
Sierra Vista	289,435	37,775	Lake Havasu City	321,332	41,938
Tombstone	11,524	1,504	<b><u>Navajo County</u></b>		
Willcox	28,603	3,733	Holbrook	37,674	4,917
<b><u>Coconino County</u></b>			Pinetop-Lakeside	27,446	3,582
Flagstaff	405,278	52,894	Show Low	58,960	7,695
Fredonia	7,938	1,036	Snowflake	34,173	4,460
Page	52,171	6,809	Taylor	24,335	3,176
Williams	21,776	2,842	Winslow	72,943	9,520
<b><u>Gila County</u></b>			<b><u>Pima County</u></b>		
Globe	57,358	7,486	Marana	103,867	13,556
Hayden	6,835	892	Oro Valley	244,681	31,934
Miami	14,834	1,936	Sahuarita	24,840	3,242
Payson	104,357	13,620	South Tucson	42,065	5,490
Winkelman	3,394	443	Tucson	3,729,125	486,699
<b><u>Graham County</u></b>			<b><u>Pinal County</u></b>		
Pima	15,240	1,989	Apache Junction	243,761	31,814
Safford	70,736	9,232	Casa Grande	193,268	25,224
Thatcher	30,817	4,022	Coolidge	59,657	7,786
<b><u>Greenlee County</u></b>			Eloy	79,494	10,375
Clifton	19,891	2,596	Florence	116,778	15,241
Duncan	6,222	812	Kearny	17,232	2,249
<b><u>La Paz County</u></b>			Mammoth	13,501	1,762
Parker	24,059	3,140	Maricopa	38,295	4,998
Quartzsite	25,699	3,354	Superior	24,932	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	274,939	35,883	Nogales	159,969	20,878
Buckeye	65,105	8,497	Patagonia	6,750	881
Carefree	22,427	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	28,564	3,728	Camp Verde	72,414	9,451
Chandler	1,355,720	176,939	Chino Valley	62,576	8,167
El Mirage	58,301	7,609	Clarkdale	26,220	3,422
Fountain Hills	155,042	20,235	Cottonwood	70,330	9,179
Gila Bend	15,171	1,980	Jerome	2,521	329
Gilbert	840,507	109,697	Prescott	260,036	33,938
Glendale	1,676,554	218,812	Prescott Valley	180,327	23,535
Goodyear	144,898	18,911	Sedona	78,092	10,192
Guadalupe	40,057	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	29,193	3,810	San Luis	117,398	15,322
Mesa	3,047,790	397,776	Somerton	55,673	7,266
Paradise Valley	104,695	13,664	Wellton	14,014	1,829
Peoria	830,293	108,364	Yuma	595,228	77,685
Phoenix	10,121,948	1,321,045			
Queen Creek	33,070	4,316	<b>TOTAL</b>	<b>\$31,089,382</b>	<b>4,057,566</b>
Scottsdale	1,553,141	202,705			

**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**August 2004**

City	Distribution	Population	City	Distribution	Population
<b><u>Apache County</u></b>			Scottsdale	1,433,005	202,705
Eagar	28,511	4,033	Surprise	218,077	30,848
Springerville	13,941	1,972	Tempe	1,121,385	158,625
St. Johns	25,082	3,548	Tolleson	35,163	4,974
<b><u>Cochise County</u></b>			Wickenburg	35,927	5,082
Benson	33,304	4,711	Youngtown	21,279	3,010
Bisbee	43,053	6,090	<b><u>Mohave County</u></b>		
Douglas	116,808	16,523	Bullhead City	238,727	33,769
Huachuca City	12,379	1,751	Colorado City	23,569	3,334
Sierra Vista	267,047	37,775	Kingman	141,876	20,069
Tombstone	10,632	1,504	Lake Havasu City	296,477	41,938
Willcox	26,390	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	34,760	4,917
Flagstaff	373,929	52,894	Pinetop/Lakeside	25,323	3,582
Fredonia	7,324	1,036	Show Low	54,399	7,695
Page	48,136	6,809	Snowflake	31,530	4,460
Williams	20,091	2,842	Taylor	22,452	3,176
<b><u>Gila County</u></b>			Winslow	67,301	9,520
Globe	52,922	7,486	<b><u>Pima County</u></b>		
Hayden	6,306	892	Marana	95,833	13,556
Miami	13,686	1,936	Oro Valley	225,755	31,934
Payson	96,285	13,620	Sahuarita	22,919	3,242
Winkelman	3,132	443	South Tucson	38,811	5,490
<b><u>Graham County</u></b>			Tucson	3,440,675	486,699
Pima	14,061	1,989	<b><u>Pinal County</u></b>		
Safford	65,265	9,232	Apache Junction	224,906	31,814
Thatcher	28,433	4,022	Casa Grande	178,319	25,224
<b><u>Greenlee County</u></b>			Coolidge	55,042	7,786
Clifton	18,352	2,596	Eloy	73,345	10,375
Duncan	5,740	812	Florence	107,745	15,241
<b><u>La Paz County</u></b>			Kearny	15,899	2,249
Parker	22,198	3,140	Mammoth	12,456	1,762
Quartzsite	23,711	3,354	Maricopa	35,333	4,998
<b><u>Maricopa County</u></b>			Superior	23,004	3,254
Avondale	253,672	35,883	<b><u>Santa Cruz County</u></b>		
Buckeye	60,069	8,497	Nogales	147,595	20,878
Carefree	20,692	2,927	Patagonia	6,228	881
Cave Creek	26,355	3,728	<b><u>Yavapai County</u></b>		
Chandler	1,250,854	176,939	Camp Verde	66,813	9,451
El Mirage	53,791	7,609	Chino Valley	57,736	8,167
Fountain Hills	143,050	20,235	Clarkdale	24,192	3,422
Gila Bend	13,997	1,980	Cottonwood	64,890	9,179
Gilbert	775,493	109,697	Jerome	2,326	329
Glendale	1,546,872	218,812	Prescott	239,922	33,938
Goodyear	133,690	18,911	Prescott Valley	166,379	23,535
Guadalupe	36,959	5,228	Sedona	72,051	10,192
Litchfield Park	26,934	3,810	<b><u>Yuma County</u></b>		
Mesa	2,812,042	397,776	San Luis	108,318	15,322
Paradise Valley	96,596	13,664	Somerton	51,366	7,266
Peoria	766,070	108,364	Wellton	12,930	1,829
Phoenix	9,339,009	1,321,045	Yuma	549,187	77,685
Queen Creek	30,512	4,316			
			<b>TOTAL</b>	<b>\$28,684,600</b>	<b>4,057,566</b>